

## Message Text

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PAGE 01 VIENNA 01652 021110Z

14

ACTION IO-11

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E.O. 11652: N/A

TAGS: PFOR, UNIDO

SUBJECT: UNIDO-GROUP B MEETING, FEB 27

REF: (A) VIENNA 1159 (B) VIENNA 1123

1. UNIDO GROUP B MET FEB 27 UNDER CHAIRMANSHIP  
VON SCHENCK (SWITZERLAND) TO DISCUSS VARIETY OF CURRENT  
MATTERS INCLUDING CONSULTATIONS/NEGOTIATIONS, EX DIR'S  
LETTER OF FEB 10, POST OF DEPUTY EX DIR AND CONSIDERATION  
OF REVISED BUDGET ESTIMATES.

2. CHAIR BRIEFED GROUP ON DRAFT SECRETARIAT PAPER ON  
CONSULTATIONS AND NEGOTIATIONS (REF A) AND ASKED FOR  
COMMENTS. US REPLIED ALONG LINES EXPRESSED REFTTEL, ADDING  
MENTION OF INDICATIONS MISSION HAD RECEIVED TO EFFECT THAT  
DIRECTOR OF CENTER FOR INDUSTRIAL STUDIES (AFIFI) APPEARED TO  
HAVE ASSUMED CONTROL OVER UNIDO SECTORAL MEETINGS AND APPARENTLY  
INTENDED TO REFOCUS FERTILIZERS SYMPOSIUM SCHEDULED FOR FALL  
1976 AT THE HAGUE AWAY FROM EXPERTS MEETING TOWARD "DECISION-  
MAKING" CONFERENCE AKIN TO CONSULTATIONS CONCEPT. US  
SUGGESTED THAT ANY SUCH UNDERTAKING ON PART UNIDO  
SHOULD BE SUBORDINATED TO IDB DECISIONS ON RULES OF  
PROCEDURE FOR CONSULTATIONS. FRANCE AND NEW ZEALAND  
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PAGE 02 VIENNA 01652 021110Z

BOTH FAVORED IN PRINCIPLE A SYSTEM OF CONSULTATIONS,

BUT ONE OF A "LIGHT" NATURE, NOT INVOLVING CUMBERSOME MACHINERY. IN RESPONSE TO QUESTION RAISED BY US AS TO ACCEPTABILITY OF CONCEPT OF "REDEPLOYMENT" AS DEFINED IN LIMA DECLARATION IN CONTEXT OF UNIDO CONSULTATIONS, SWISS REP SAW NO POSSIBILITY OF HIS GOVT ENTERING INTO UNIDO-STYLE NEGOTIATIONS; WORD NEGOTIATIONS ITSELF WAS SEEN AS PROVOCATION BY GOS AND TERMS OF REFERENCE OF UNIDO CONSULTATIONS SHOULD BE LIMITED STRICTLY TO PARA 66 OF LIMA DECLARATION AND PLAN, EXCLUDING ANY INTERREGIONAL OR SUB-REGIONAL FOCUS. FRANCE REPEATED THAT ANY SUCH SYSTEM SHOULD NOT BE "HEAVY" AND SHOULD INCLUDE PRIVATE SECTOR PARTICIPATION.

3. JAPANESE LATER INFORMED US OF INSTRUCTION RECEIVED FROM TOKYO ON SUBJECT OF CONSULTATIONS. TOKYO OPPOSES THE NOTION THAT THE CONSULTATIONS CONCEPT SHOULD BE APPROACHED BY THE IDB IN TERMS OF THE SETTING-UP OF COMPLEX MACHINERY, AND PREFERS A STEP-BY-STEP APPROACH IN THE FORM OF A NUMBER OF "CASE STUDIES" CONSISTING OF SMALL MEETINGS AT THE EXPERTS LEVEL TO EXCHANGE INFORMATION AND PROJECT FUTURE CONDITIONS FOR SELECTED INDUSTRIES. ONLY AFTER THESE TRIAL RUNS HAD BEEN COMPLETED WOULD IT BE POSSIBLE TO TAKE UP THE QUESTION OF WHETHER OR NOT A FORMAL STRUCTURE OF CONSULTATIONS MACHINERY WAS REQUIRED.

4. ON SUBJECT OF EX DIR'S LETTER OF FEB 10 REQUESTING INFORMATION FROM MEMBER GOVTS ON THEIR ACTIONS IN FOLLOW UP TO THE LIMA CONFERENCE (REF B), SWITZERLAND, FRANCE AND FRG DOUBTED THAT THEIR GOVTS WOULD RESPOND TO LETTER. US NOTED THAT LIMA DECLARATION AND PLAN DEALS WITH A VARIETY OF MATTERS NORMALLY HELD TO BE OUTSIDE THE SCOPE OF UNIDO, AND RAISED QUESTION OF WHETHER GOVTS SHOULD IMPLICITLY SUPPORT AN EXPANSION OF UNIDO'S SCOPE BY REPORTING ON ACTIONS TAKEN IN OTHER CONTEXTS WHICH COULD BE LOOSELY INTERPRETED AS RESPONDING TO THE LIMA DECLARATION AND PLAN OR WHETHER SUCH RESPONSES SHOULD BE STRICTLY LIMITED TO MATTERS CONCERNING INDUSTRIAL DEVELOPMENT AS SUCH.

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PAGE 03 VIENNA 01652 021110Z

5. ON THE QUESTION OF THE NEWLY-CREATED POST OF DEPUTY EXECUTIVE DIRECTOR, CHAIR TOLD GROUP B THAT HE HAD BEEN INFORMED THAT EX DIR KHANE AND AFIFI WERE ANXIOUS TO FILL POSITION, THAT KHANE HAD BEEN IN TOUCH WITH SYG WALDHEIM IN THAT RESPECT AND INTENDED TO PURSUE MATTER WITH WALDHEIM DURING HIS VISIT TO NEW YORK FEB 27. IN THESE CIRCUMSTANCES,

CHAIR HAD, ON BEHALF GROUP B, CALLED ON UNIDO EXTERNAL AFFAIRS OFFICER SYLLA TO STATE THAT GROUP B MAJORITY DID NOT FAVOR EX DIR AND DEPUTY EX DIR FROM SAME REGION OR GROUP, AND ASKED SYLLA TO SO INFORM KHANE AND WALDHEIM. SWEDEN INFORMED GROUP THAT, ON INSTRUCTIONS, IT HAD APPROACHED KHANE TO PROPOSE THAT DEPUTY EX DIR SHOULD LOGICALLY BE PERSON RESPONSIBLE FOR UNIDO ADMINISTRATIVE SERVICES (PRESENT INCUMBENT IS SWEDISH NOMINEE RISHOLM) AND THAT, IN ANY CASE, POST SHOULD BE FILLED BY PERSON FROM INDUSTRIALIZED COUNTRY; SWEDISH MISSION NEW YORK WILL ALSO APPROACH WALDHEIM IN THESE TERMS. FOLLOWING GENERAL GROUP B EXPRESSION OF SUPPORT FOR ACTION TAKEN BY CHAIRMAN, US SUGGESTED THAT GROUP B MISSIONS IN NEW YORK BE ADVISED OF GROUP B CHAIRMAN'S DEMARCHE TO SYLLA AND REQUESTED TO MAKE SIMILAR APPROACHES TO SYG AND DAVIDSON.

7. ON QUESTION OF CONSIDERATION OF REVISED BUDGET ESTIMATES, GROUP DISCUSSED EX DIR'S PROPOSAL (ID/B/C.3/47) THAT IDB-X NOMINATE A SMALL GROUP TO MEET AT THE CLOSE OF COW-III (JULY 12) TO UNOFFICIALLY CONSIDER REVISED BUDGET ESTIMATES FOR 1976/77. GROUP WAS NOT SATISFIED WITH EX DIR'S PROPOSAL, BUT COULD NOT COME UP WITH APPEALING ALTERNATIVE. WORKING GROUP COMPOSED OF US, FRG AND FRANCE WAS CONSTITUTED TO CONSIDER POSSIBLE ALTERNATIVES AND REPORT TO GROUP B ON MARCH 19.

7. REPORTING INITIAL RESPONSES TO GROUP B DRAFT CONSTITUTION, SWEDEN STATED THAT STOCKHOLM PREFERRED G-77 VERSION OF PREAMBLE, ARTS 11 AND 20, DID NOT LIKE ANY VERSION IT HAD SEEN OF ARTS 1 AND 2, AND EITHER FAVORED GROUP B TEXT OR HAD NO COMMENT ON LIMITED OFFICIAL USE

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PAGE 04 VIENNA 01652 021110Z

REMAINDER OF CONSTITUTION. JAPAN BELIEVED THE ENTIRE GROUP B DRAFT WAS ACCEPTABLE TO TOKYO, AND US EXPRESSED GENERAL SATISFACTION WITH GROUP B TEXT, ALTHOUGH NOT ENTIRELY HAPPY WITH SOME ELEMENTS OF IT.

8. FOR DEPT AND USUN: REQUEST CONSIDERATION BE GIVEN TO MAKING APPROACH TO SYG AND DAVIDSON ALONG LINES SUGGESTED PARA 5 ABOVE. GARLAND

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## Message Attributes

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